SANTA CATALINA ISLAND COMPANY

April 30, 2014

Project Narrative

Two Harbors Coastal Development Permit

Since the stage road from Avalon to Isthmus Cove was completed in 1904, Two Harbors has not changed much, and remains a small town owned by the Santa Catalina Island Company. The following projects are intended to maintain the existing facilities that service our guests, and allow the Island Company to operate Two Harbors as a serene destination for boaters, campers and visitors.

Projects:

- 1.) Bathroom Building Renovation
- 2.) Main Beach Sand Replenishment
- 3.) Harbor Reef Restaurant Liquor License Boundary Expansion

1.) Bathroom Building Renovation:

The Santa Catalina Island Company owns all of the land and buildings at the Two Harbors location on Catalina Island. The two main bathroom and shower buildings at Two Harbors have deteriorated to a point where the existing buildings can no longer be renovated to repair the building deterioration. The Island Company propose to tear the existing buildings down, and rebuild them in the exact same footprint and in the same existing height, appearance aesthetic so as to keep with the existing aesthetic at Two Harbors. We propose to include more energy and water efficient building technology wherever possible. This project is long overdue and we are determined to deliver better facilities by next summer season. This project will allow us to better serve the guest, employee and resident experience at Two Harbors and provide all of the users with a much better bathroom and shower.

2.) Main Beach Sand Replenishment:

The existing sand at the Main Beach at Two Harbors sits on the area above the seawall, in front of the Harbor Reef Restaurant and General Store. The sand has become dirty and mixed with the dirt material below the sand layer. We would like to scrape 12" of the existing sand layer and replace it with 1900 tons of new sand material from a quarry in San Juan Capistrano. The material has been analyzed for invasive material by a biologist (his report is included) and the transportation route has been confirmed by the operators to be cleaned to mitigate any

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transfer of invasive material during transport. As the sand area sits above the seawall at the Main Beach, there is no interface at the sea. The new sand will enhance the guest and resident experience at Main Beach and provide a higher quality sand.

3.) Harbor Reef Restaurant Liquor License Expansion:

We want to enhance the guest and resident experience by providing beach front food and beverage service. The expansion will allow guests to order drinks on the newly replenished Main Beach. Expanding the Liquor License boundary also helps us to have greater control over alcohol consumption in the area, enhancing safety and security. We have the full support of the local Sherriff, who has written a letter in support of the expansion and will submit the letter directly to LA County Planning. By expanding the Harbor Reef Liquor License we will enable our guests to sit on the newly replenished Main Beach and enjoy a meal and beverage while relaxing at Isthmus Cove. We believe this will not only create a better guest experience, but also expand business for the Harbor Reef, creating more employment opportunities and growing business.

We believe that each of these projects at Two Harbors will improve guest services, thereby promoting tourism, driving business, promoting economic growth and creating a better destination for guests, employees and residents alike.